

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

NORTHERN UTILITIES, INC.)	
)	
RE: Petition for Waivers From)	STIPULATION AGREEMENT
Chapter 820)	
)	September 15, 2000
Docket No. 99-254)	

This Stipulation is an Agreement entered into by Northern Utilities, Inc. (“NU”), the Office of the Public Advocate (“OPA”) and The Plumbing, Heating and Cooling Contractors of Maine (“Contractors”), hereinafter referred to as “the parties.”

I. PURPOSE

The purpose of this Stipulation is to resolve the issues raised by NU in its April 14, 1999, Petition for Waiver from Chapter 820 of the Commission’s Rules and Regulations.

II. PROCEDURAL HISTORY

On April 14, 1999, under Docket No. 99-254, NU submitted to the Maine Public Utilities Commission (“MPUC”), confidential and redacted versions of its Petition for Waiver from Chapter 820 of the Commission’s Rules and Regulations. In its Petition, NU requested authorization to continue to offer its specific business services, Guardian Care, Customer Service on a Charge Per Call Basis, Water Heater Rentals, Conversion Burner Rentals, and Equipment Sales and/or Installation all of which had historically been provided by the utility. However, at issue under Chapter 820, is whether or not these services should be classified as “core” or “non-core” and therefore, a determination as to which classification is appropriate was sought. In conjunction with the Petition, a

Motion for Protective Order was filed in order to preserve certain confidential information submitted.

On April 20, 1999, the Office of the Public Advocate filed its Petition to Intervene citing its authority to do so under Title 35-A M.R.S.A. § 1702. On June 22, 1999, the MPUC issued its Order on Motion for Protective Order and Temporary Protective Order. Enron Energy Services filed a petition for intervention on August 6, 1999, followed by a subsequent petition for intervention by Maine Oil Dealers Association (“MODA”) on August 9, 1999. On August 10, 1999, Central Maine Power Company (“CMP”) filed a request to be added to the service list in this proceeding and to submit a brief. MODA submitted its first set of data requests to NU on August 14, 1999. NU filed cumulative objections on August 16, 1999, to each of the petitions for intervention, as well as objections to CMP’s request to file a brief in this action, as they were not an intervenor pursuant to Chapter 110 of the Commission’s Rules of Practice and Procedure, § 1001 and 35-A M.R.S.A. § 1302(1). A preliminary case conference was held on August 17, 1999, at which time MODA agreed to participate as a discretionary intervenor. On August 23, 1999, the MPUC issued its Report of the August 17, 1999, Conference and Procedural Order. CMP and Enron were granted discretionary intervenor status. On October 12, 1999, NU filed responses to data requests submitted by Advisors, Public Advocate and MODA and on November 8, 1999, responses were filed to the requests submitted by OPA and ADV. The Contractors filed a petition for intervention on December 6, 1999. NU filed its Objection to Contractors’ intervention on December 12, 1999. At a technical conference held on December 9, 1999, Contractors were granted mandatory intervenor status under § 721 of Ch. 110 of the Commission.

The Contractors filed information requests on February 14, 2000. Northern provided initial responses to Contractor's requests on February 25, 2000, with additional responses filed on February 28, 2000, March 2, 3, 10, 15, 20, 21 and 22, 2000. The Parties held a settlement conference on June 13, 2000 and participated in a telephone conference on June 16, 2000.

III. STIPULATION PROVISIONS

Wherefore, in consideration of the foregoing, the Parties hereby agree as follows.

1. The services described in Northern's Petition, namely Water Heater Rental, Conversion Burner Rental, Guardian Care, Service Calls, Equipment Sales and/or Installation (the "Service Business Activities"), are subject to the applicable requirements of Chapter 820 of the Commission's rules and regulations for non-core services.
2. The Service Business Activities shall be provided to customers by a separate corporate entity (the "Service Affiliate"). Northern shall have the option of either creating a new subsidiary or using a currently-existing entity for this purpose.
3. The Service Affiliate shall have the right to share equipment, facilities, services, and personnel with Northern. Effective, the date of the Commission's Order, all such shared equipment, facilities, services, and personnel shall be charged by Northern to the Service Affiliate in accordance with the provisions specified in Chapter 820 of the Commission's Rules, including, without limitation, the provisions of Section four.
4. Northern shall maintain a cost manual documenting its fully distributed cost methodology. Northern shall file a copy of the cost manual with the Commission ninety days after the date of the final order in this proceeding.

5. Northern shall file a Support Services Agreement with the Commission ninety days after the date of the final order in this proceeding. Such Support Services Agreement shall include the services which Northern intends to provide to the Service Affiliate. Any such mailing, marketing, and credit services shall be made available at the same price to any competitors providing similar services to those provided by Northern's Service Affiliate. All services provided by Northern to the Service Affiliate shall be priced in accordance with the provisions specified in Chapter 820 of the Commission's Rules.

6. All assets of Northern that are exclusively used for the Service Business Activities shall be transferred to the Service Affiliate. Such assets shall include the customer information described in paragraph 7 hereof. The Service Affiliate shall make a one-time payment to Northern of fifty thousand dollars (\$50,000) as full payment for all such assets.

7. Customer information concerning existing Water Heater Rental, Conversion Burner Rental, Guardian Care customers, and Service Call customers within the last two years, as well as customer information concerning purchasers of heating and water heating systems from Northern, shall be transferred to the Service Affiliate, and shall not be subject to the requirements of Chapter 820. Any future customer information provided by Northern to the Service Affiliate shall be subject to the requirements of Chapter 820.

8. So long as Northern or the Service Affiliate continues to conduct the Service Business Activities, the Service Affiliate shall pay Northern for the value of Northern's Good Will the sum of twenty-five thousand dollars (\$25,000) annually for the next six

years. After the end of such six-year period, the Service Affiliate shall not be obligated to pay any amount to Northern for the value of Northern's Good Will.

9. Within sixty days of the date of the Commission's Order in this proceeding, Northern agrees to file with the Commission a contractor referral program that will be designed in such a way as to ensure that the referral program will be free of bias and that Northern will not act in any way to give preference to its affiliate over other service contractors.

IV. STANDARD PROVISIONS

1. The parties intend that this Stipulation be considered by the Commission for adoption as an integrated solution to the issues in this proceeding, and that this Stipulation shall be null and void and does not bind the parties in this proceeding if the Commission does not accept it without material modification.

2. Except as expressly provided otherwise herein, the making of this Stipulation by the parties shall not constitute precedent as to any matter of law or fact, nor, shall it foreclose any party hereto from taking any contention or exercising any right, including rights of appeal, in any other Commission proceeding, or investigation, or in any other trial or action.

3. The parties agree to waive ex parte restrictions to the full extent necessary for the PUC Staff to present and discuss this Stipulation with the Commission.

IN WITNESS WHEREOF, the parties have signed this Stipulation, requesting that it be approved by the Public Utilities Commission without significant modification.

NORTHERN UTILITIES, INC.
By its attorney

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